



CRIMINAL, CIVIL MEDICAID FRAUD TEAMS PROTECT TEXAS TAXPAYERS

by Texas Attorney General Greg Abbott

THE OFFICE OF THE ATTORNEY GENERAL (OAG) is committed to protecting taxpayers. With that goal in mind, we are focused on eliminating waste, fraud and abuse in the \$21 billion Medicaid program, which provides taxpayer-funded health care to low income Texans.

There are two fronts to our ongoing battle against Medicaid fraud.

On the criminal side, the Medicaid Fraud Control Unit (MFCU) investigates and prosecutes health care providers and vendors who bill taxpayers for services that were never rendered. The criminal component of our Medicaid fraud prevention team includes 147 investigators and investigative auditors, of which 58 are commissioned peace officers who conduct complex fraud investigations from nine field offices across the state.

One important aspect of the MFCU's investigative work focuses on protecting Medicaid patients who reside in nursing homes. Together with local law enforcement officials, the MFCU has conducted criminal investigations into illegal conduct by nursing home employees who neglected or abused their patients. We have also cracked down on staff members who abused their positions by stealing from their elderly patients' bank accounts. These enforcement efforts both protect nursing home patients and ensure that

taxpayers are not footing the bill for illegal conduct.

Our work to reduce improper Medicaid expenditures has a civil component as well. In 1997, the Texas Legislature passed a law that encourages whistleblowers to expose – and therefore prevent – unlawful billing practices by Medicaid vendors. Thanks to a legislatively mandated expansion in 1997, our Civil Medicaid Fraud (CMF) section has become an entire division with more than 50 employees.

The majority of CMF cases pursued in Texas state courts involve the improper reporting of drug prices by pharmaceutical companies. State and federal law requires that drug manufacturers report the prices at which they sell their products to various providers, including pharmacies, wholesalers and distributors. The Texas Medicaid program uses this pricing information to estimate the costs Medicaid providers pay to acquire the drug manufacturers' products. Medicaid providers bill the state run program for these costs – so the program uses the sales data to ensure taxpayers get the best possible price. Medicaid providers bill the state run program for these costs, plus prescription dispensing fees, and Medicaid reimburses the providers. When a manufacturer reports inflated prices, the taxpayers are paying too much for Medicaid

provided prescription drugs.

Nationally, most of the cases alleging Medicaid fraud involve illegal marketing practices such as off label marketing and kickbacks. Off label marketing occurs when a drug manufacturer markets a drug for purposes other than those approved by law, primarily those approved by the Food and Drug Administration. CMF participates in national investigations of this conduct, and is also leading the nation in actively litigating against manufacturers who illegally market their products.

CMF is also pursuing matters against manufacturers of unsafe products and pharmacy benefit managers that fail to comply with Texas' Medicaid laws and regulations.

Based upon its proven track record of successful cases and landmark settlements, CMF has established itself nationwide as a leader in the ongoing fight against Medicaid fraud and abuse.

Hard working taxpayers help their less fortunate neighbors by funding the Medicaid program. So it is critical that each and every Medicaid dollar be spent providing health care to indigent Texans – not funding fraudulent schemes. That is why civil litigators, criminal prosecutors and commissioned peace officers come to work at the Office of the Attorney General every day, where they work tirelessly to reduce waste, fraud, and abuse in the Medicaid program.

POINTS TO REMEMBER



PROTECTING TEXANS FROM MEDICAID FRAUD

Report financial exploitation or physical abuse or neglect of a resident in a Medicaid-funded facility:

**Medicaid Fraud Control Unit
Office of the Attorney General**
(512) 463-2011
E-mail: mfcu@oag.state.tx.us

**Texas Department of Aging and
Disability Services**
(800) 458-9858

For more information on the Medicaid Fraud Control Unit or other senior issues:
Office of the Attorney General
(800) 252-8011

For Nursing Home Ombudsman assistance and benefits counseling:
**Texas Department of Aging and
Disability Services**
Area Agencies on Aging
(800) 252-9240
www.dads.state.tx.us



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